

EXHIBIT C

CORPORATE GOVERNANCE TERM SHEET

Beazer acknowledges that the commencement, prosecution, and settlement of the Derivative Action were material contributing factors in causing the Company to agree to adopt and/or implement the following corporate governance reforms and remedial measures. Beazer has agreed to maintain these corporate governance reforms and remedial measures in place for a period of five (5) years after the Effective Date.

I. PERSONNEL CHANGES

The Company terminated its former Chief Accounting Officer ("CAO"), Michael Rand, and took appropriate action, including termination, against other employees who were believed to have violated the Company's Code of Business Conduct and Ethics.

The Company hired a new Chief Financial Officer ("CFO"), Allan Merrill, in May 2007. The new CFO brings demonstrated experience in the homebuilding industry. Specifically, Mr. Merrill has proven experience in the financial aspects of the homebuilding industry. He joined Beazer after serving as Executive Vice President of Corporate Development and Strategy for Move, Inc. and as president of Homebuilder.com, a division of Move, Inc. Previously, Mr. Merrill served a thirteen-year tenure with UBS as a managing director and most recently overseeing its Global Resources Group. All accounting functions report to the CFO.

The Company hired a new experienced CAO, Robert Salomon, in February 2008. The new CAO has significant experience in the homebuilding industry, including one prior circumstance where he was retained to oversee financial controls. Specifically, Mr. Salomon joined the Company after ten years as CFO and Treasurer at Ashton Woods Homes. Previously, he served with another homebuilding company in financial management roles of increasing responsibility. A Certified Public

Accountant, Mr. Salomon has twenty-four years of financial management experience, sixteen of which have been in the homebuilding industry.

The Company appointed a Compliance Officer in November 2007. The Compliance Officer is responsible for implementing and overseeing the Company's enhanced Compliance Program. The Compliance Officer has oversight responsibility for compliance practices across the organization and will implement programs designed to foster compliance with all laws, rules, and regulations as well as Company policies and procedures.

The Company hired a new General Counsel, Kenneth Khoury, in January 2009. The General Counsel has thirty years of legal experience, including many as an in-house attorney for large, public corporations. The General Counsel is focused on strengthening compliance and the governance environment throughout the Company. The Compliance Officer reports directly to the General Counsel. Most recently, Mr. Khoury was Executive Vice President and General Counsel of Delta Air Lines from September 2006 to November 2008. Mr. Khoury's career has included both private practice and extensive in-house counsel experience, including fifteen years with Georgia-Pacific Corporation, where he served as Vice President and Deputy General Counsel.

II. ORGANIZATIONAL CHANGES

The Company reorganized its field operations to concentrate certain accounting, accounts payable, billing, and purchasing functions into three Regional Accounting Centers ("RACs"). This structure is designed to create a greater degree of control, transparency, and consistency in financial reporting practices and to enable trend analyses across business units.

As part of this reorganization, the Company created the position of Regional CFOs within the RACs to minimize the lack of segregation of duties in its prior structure. The Regional CFOs play a critical role in ensuring the integrity of financial

information prior to submission to the Corporate Office. Further, this organization enables the Company to assess data and identify trends across multiple markets. The risks of override and collusion have also been minimized, as these positions have a much wider span of control and authority.

The Company streamlined the responsibilities of business unit financial controllers to eliminate certain previously held responsibilities related to Budgeting & Forecasting and Land Management. Controllers are now specifically responsible solely for financial reporting, which the Company believes will foster a more thorough and targeted review of financial statements.

III. PROCESS CHANGES

The Company has expanded its Disclosure Committee and implemented an enhanced quarterly certification process. The Disclosure Committee now includes representatives from Operations, Compliance, and Audit and Controls. In addition, while the Company previously had a disclosure committee, in 2008 the Company implemented a more formalized disclosure committee charter and formal written disclosure controls and procedures. Further, the enhanced quarterly certification process includes not just certification by executive management and the business unit executives, but also certification by managers of the corporate finance department, senior management at the corporate office, and other business and finance employees who are significantly involved in the financial reporting process. These new processes will help ensure Company employees at various levels make full and complete representations concerning, and assume accountability for, the accuracy and integrity of the Company's financial statements and other public disclosures.

IV. POLICY CHANGES

In response to specific improper practices identified during the litigation of the Derivative Action, the Company has implemented the following policies and practices related to estimates involving significant management judgments:

- Warranty reserves are now consistent across business units according to a routine calculation based on historical trends.
- House construction cost accruals are now cleared at consistent intervals after the house has closed with the customer.
- Several system applications were developed during the restatement process to identify transactions requiring adjustment. These tools were designed so that they can, and are being, used prospectively to monitor several of the specific areas which required restatement.

The Company's CAO and Regional CFOs took the following additional actions during the fourth quarter of fiscal 2008:

- Conducted further reviews of accounting processes to incorporate technology improvements to strengthen the design and operation of controls;
- Formalized the process, analytics, and documentation around the monthly analysis of actual results against budgets and forecasts conducted within the accounting and finance departments;
- Improved quality control reviews within the accounting function to ensure account analyses and reconciliations are completed accurately, timely, and with proper management review; and
- Formalized and expanded the documentation of the Company's procedures for review and oversight of financial reporting.

The Company developed, and/or clarified, during the fourth quarter of fiscal 2008, existing accounting policies and internal controls related to estimates involving significant management judgments, as well as other financial reporting areas. The new policies and internal controls focus on ensuring appropriate review and approval, defining minimum documentation requirements, establishing objective guidelines to minimize the degree of judgment in the determination of certain accruals, enforcing consistent reporting practices, and enabling effective account reconciliation, trend analyses, and exception reporting capabilities.

V. INTERNAL AUDIT CHANGES

In 2007 and 2008, the Company allocated additional resources within its Audit and Controls department to the review of financial reporting policies, processes, controls, and risks. The Audit and Controls department also developed and

implemented additional review procedures specifically focused on period-end reporting validation.

VI. ADOPTION OF NEW CODE OF BUSINESS CONDUCT AND ETHICS

The Company revised, adopted, disclosed, and distributed an amended Code of Business Conduct and Ethics (the "Code") in March 2008. The Company's comprehensive set of Interpretive Guidelines (the "Guidelines") were also revised and distributed in conjunction with the amended Code. These guidelines are intended to assist employees with understanding the requirements of the Code by setting out specific examples of potential business situations. Both the Code and the Guidelines highlight the existence of multiple lines of communication for employees to report concerns to their immediate supervisor, any member of management, any local or corporate officer, local or Corporate Human Resources, the Compliance Officer, the Head of Audit and Controls, the Legal Department, the Chair of the Nominating and Corporate Governance Committee of the Board of Directors, or through the Ethics Hotline.

- The revised Code contains an increased emphasis on Accounting Practices and Integrity of Records. The Code affirms that "[t]he accuracy and reliability of the Company's financial and business records is of the utmost importance to the decisions the Company makes and to the Company's compliance with its financial, legal and reporting obligations."
- The revised Code also emphasizes the Duty to Disclose and Report. The Code states that "Employees have an obligation to report known or suspected violations of the Code, including situations where the Company could be implicated as a result of unlawful conduct." The Code then provides several options for reporting, including contacting the Compliance Officer or using the Ethics Hotline.
- While the previous version of the Code included sections regarding accounting practices, integrity of records, and use of inside information, the revised Code expands these sections and provides more instruction to employees regarding their obligations in those areas.

The Company launched a comprehensive training program in April 2008 that emphasizes adherence to and the vital importance of the Company's Code. Every

employee in the Company completed the training, with approximately ninety percent of employees participating in an in-person, half-day training session. The remaining approximately ten percent of employees who were unable to participate in an in-person session completed an on-line version of the training program. The program was developed by a third party that specializes in ethics and other employee training programs.

VII. ETHICS LINE OUTSOURCING

The Company transferred the administration of its Ethics Hotline from officers of the Company to an independent third-party company in March 2008. Complaints are reported directly to the independent third party, whether via the toll-free Ethics Hotline or via an on-line form. In addition to other things, the transfer of administration of the Ethics Hotline is intended to help ensure that all employees understand that there is an independent, confidential, and, if the employee chooses, anonymous method of reporting ethics concerns, including those related to accounting, financial reporting or other irregularities. An "Awareness Campaign" was launched to introduce all employees to the new Ethics Hotline process and to encourage reporting of all concerns.

VIII. EXITED THE MORTGAGE BUSINESS

In February 2008, the Company withdrew from the mortgage business and voluntarily discontinued accepting mortgage applications. Prior to its withdrawal from the mortgage business, the Company terminated certain employees from its mortgage subsidiary who the Company concluded violated certain Department of Housing and Urban Development regulations.